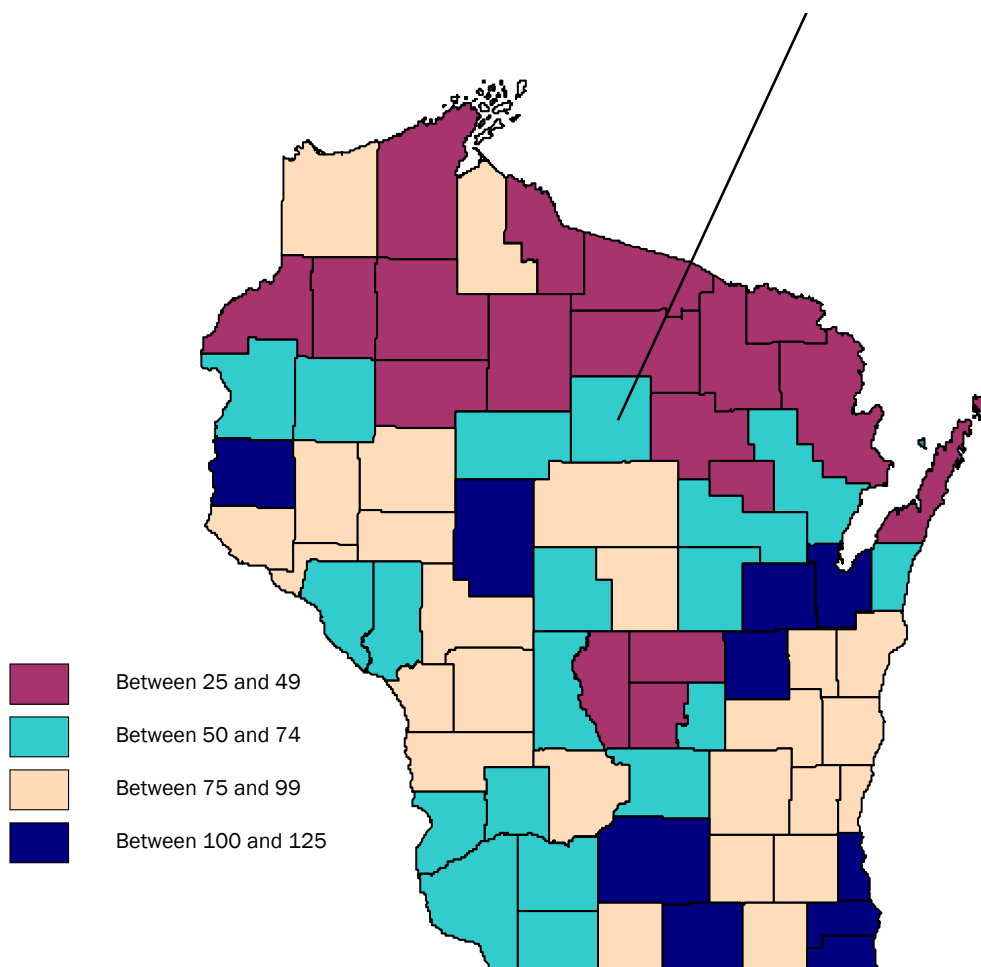


Lincoln County Workforce Profile



The number of residents aged 25-29 years for every
100 residents aged 60-64 years in year 2025



Source: Wisconsin Department of Administration, Demographic Services Center and the U.S. Bureau of Census.

For comparison, it is projected that there will be 90 residents aged 25-29 for every 100 residents aged 60-64 in Wisconsin in 2025. Nationally, it is projected that there will be 101 residents aged 25-29 for every 100 residents aged 60-64. In 2003, Wisconsin had 146 residents aged 25-29 for every 100 aged 60-64.



County Population

Population trends affect the supply of workers, the ability to attract employers and the demand for goods and services. Lincoln County added roughly 641 people or 2.2 percent to its population between the April 2000 Census and the January 2004 population estimates. Together, the towns of Bradley, Merrill, Pine River and

Total Population

	April 2000 Census	Jan. 1, 2004 estimate	Numeric change	Percent change
United States	281,421,906	292,287,454	10,865,548	3.9%
Wisconsin	5,363,704	5,532,000	168,296	3.1%
Lincoln County	29,641	30,282	641	2.2%
Largest Municipalities				
Merrill, City	10,146	10,144	-2	0.0%
Tomahawk, City	3,770	3,789	19	0.5%
Merrill, Town	2,979	3,076	97	3.3%
Bradley, Town	2,573	2,671	98	3.8%
Pine River, Town	1,877	1,955	78	4.2%
Scott, Town	1,287	1,355	68	5.3%
Schley, Town	909	938	29	3.2%
King, Town	842	869	27	3.2%
Corning, Town	826	848	22	2.7%
Harrison, Town	793	844	51	6.4%

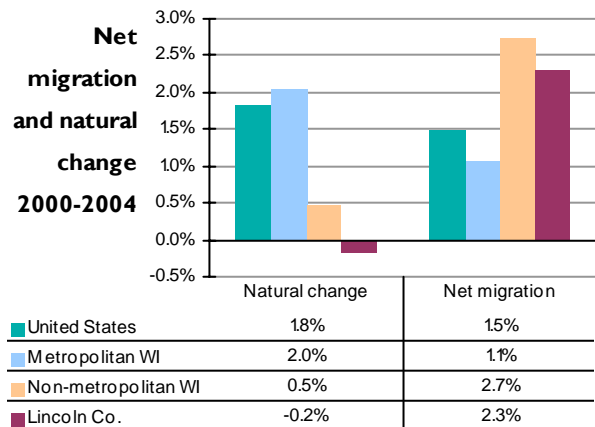
Source: Wis. Dept. of Administration, Demographic Services and U. S. Census Bureau

Scott accounted for 30 percent of the county's population and 53 percent of the county's population growth.

The character of the county's population growth merits closer examination. Lincoln County experienced more deaths than births, so all of its population gain was attributable to net migration (more people moved in than moved out). Wisconsin demographers project that the excess of deaths over births will nearly triple by 2030 and that net migration will be 395 people between 2010 and 2015, or 20 percent less than it will be between 2000 and 2005.

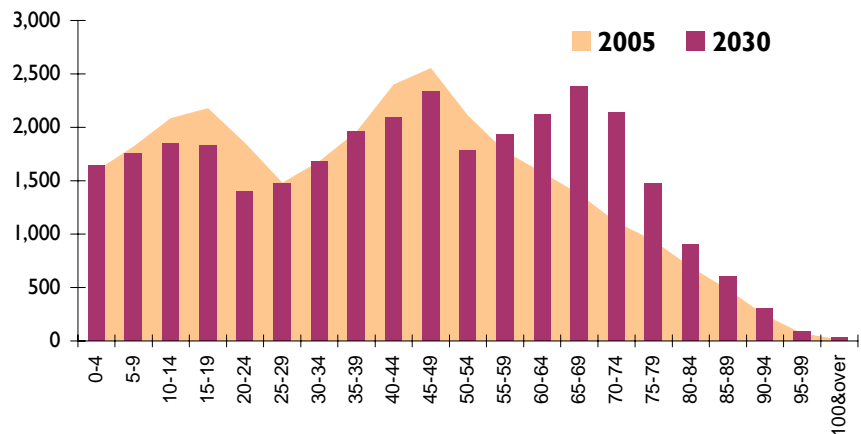
The graph to the right contrasts the age demographics of 2005 (the lighter area) with the age demographics projected for 2030 (the darker bars). Except those aged 0-4 or 35-39, every age group under 55 years old is projected to be

smaller in 2030 than in 2005. The 55-and-over group will grow from 8,281 people (28% of total population) to 11,984 people (38% of total population). The overall population will grow less than 6 percent while the 55-and-over population grows nearly 45 percent. In the year 2005, Lincoln County will have 94 residents aged 25 to 29 for every 100 residents aged 60 to 64; by 2030 that number will fall to 69. In 2005, projections suggest that 6,091 county residents will be aged 5 to 19 (approximately primary and secondary school ages). By 2030, this number will fall by 11 percent to 5,430. Together these trends could generate pressure to change funding or spending for social services or education. Such changes could affect the number of qualified workers available.



Source: WI Dept. of Admin., Demographic Services and U. S. Census Bureau

Population by Age Groups in Lincoln County



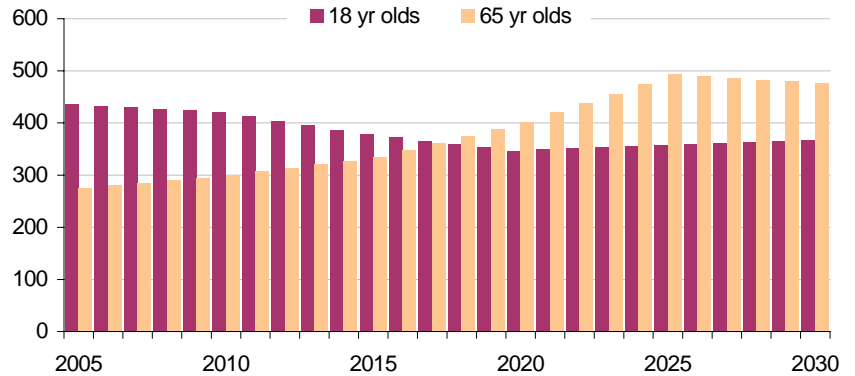
Source: WI Dept. of Administration, Demographic Services

Future Population and Labor Supply

The graph to the right shows how many people will turn 18 each year and how many people will turn 65 each year. Some workers will start their careers later than the age of 18 and some will leave the labor market before reaching 65, but these can be rough proxies for people entering the labor market and people leaving the labor market. Between 2005 and 2030, the number of residents turning 18 each year shrinks from roughly 436 to 367; meanwhile the number of residents turning 65 each year grows from 275 to 476. This has serious implications for any establishment whose customer base or employee pool includes significant numbers of baby-boomers.

The baby boom (1946 to 1964) was dominated by white, non-Hispanic children. Subsequent increases in national birth rates relied heavily on Hispanic and non-white parents. The graph below shows that even compared to homogeneous Wisconsin, Lincoln County lacks the robust diversity that can help drive labor force growth. For reasons beyond the scope of this profile, the labor force participation rate (the frequency with which people work and look for work) tends to be higher among Hispanic and non-white populations than it is among white non-Hispanic populations.

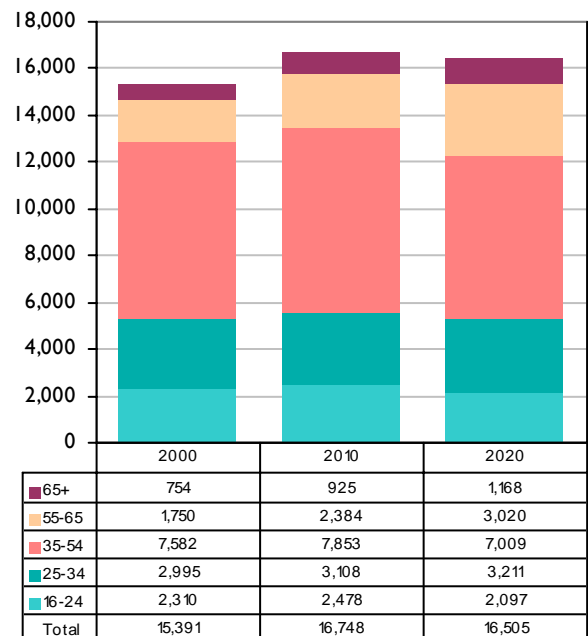
Convergence of 18 & 65 year old population in Lincoln County



Source: WI Dept. of Administration, Demographic Services

Below, the Labor Force Projections by Age graph is based on current participation in Lincoln County with adjustments in each age group based on national projections. The county's older cohorts are more white and non-Hispanic, so their participation rates may be below national levels. From 1990 to 2000, the labor force grew about 9 percent. Between 2000 and 2010, it will grow 9 percent. In the following decade (2010 to 2020) it will shrink. Even changes much milder than predicted could constrain job growth.

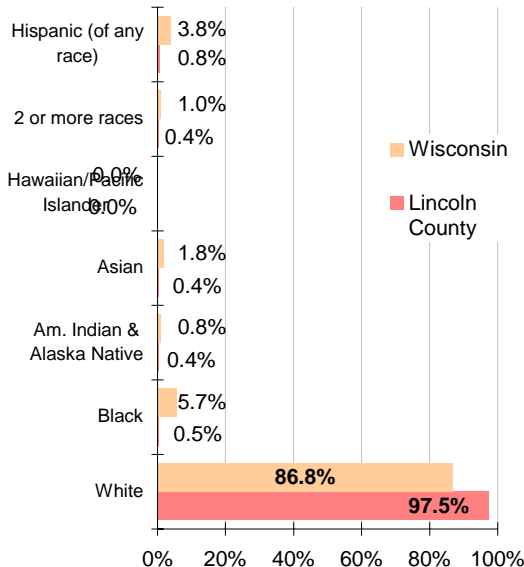
Lincoln County Labor Force Projections by Age



Decade change	8.9%	8.8%	-1.5%
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Source: DWD, Office of Economic Advisors, August 2004

Race and ethnic distribution

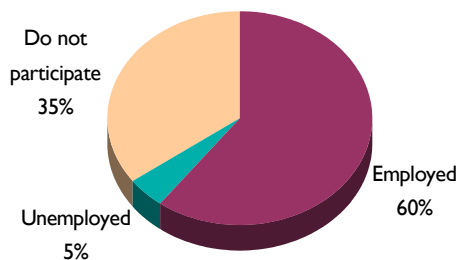


Source: U.S. Census Population Characteristics Estimates, 2002

Current Labor Force

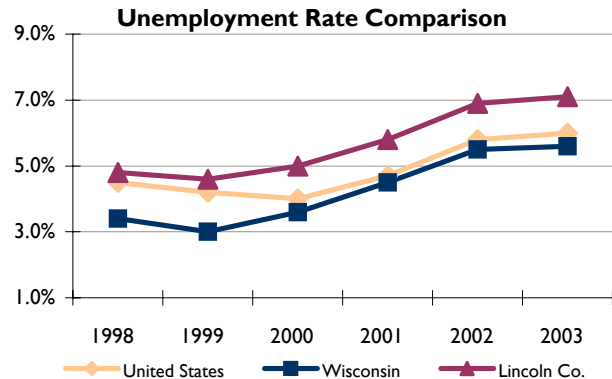
The participation rate is the share of the 16-and-over population that is employed or unemployed. In 2003, Lincoln County's participation rate (65%) was closer to the nation's (66.3%) than to Wisconsin's (72.9%). Roughly 35 percent of the 16-and-over population did not work or seek work. This group usually includes

Labor force participation in Lincoln County



Source: DWD, Office of Economic Advisors, July 2004

The unemployment rate graph below shows that Lincoln County's rates generally track the state's rates, albeit at higher levels. The county saw more encouraging rates in the second half of 2003 and first half of 2004 than it had seen in the first half of 2003.



retirees, students and at-home parents. In Lincoln County, retirees are probably the most prominent segment of this group and demographic analysis on pages 1-2 suggests that retirees will become more a prominent cohort in years to come. It is not clear where employers will find workers to replace retiring baby boomers.

Lincoln County Civilian Labor Force Data

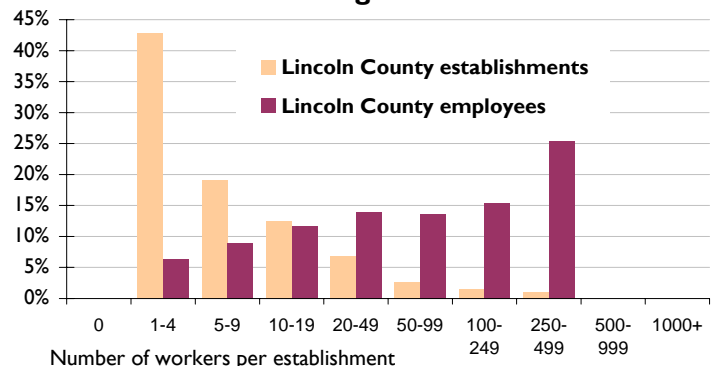
	1998	1999	2000	2001	2002	2003
Labor Force	15,398	14,314	14,819	15,041	14,875	14,973
Employed	14,653	13,661	14,083	14,176	13,843	13,914
Unemployed	745	653	736	865	1,032	1,059
Unemployment Rate	4.8%	4.6%	5.0%	5.8%	6.9%	7.1%

Source: WI DWD, Bur. of Workforce Information, Local Area Unemployment Statistics, 2003

Establishments by Size

Roughly 817 establishments reported operations in Lincoln County and 506 of them reported 9 or fewer employees. The lighter set of bars in the graph shows that the 1-4 employee size class and the 5-9 employee size class together account for nearly 62 percent of the reporting establishments. Meanwhile, approximately 24 percent of establishments belong in the five size classes between 10 employees and 499 employees. This contrasts sharply with the darker set of bars, which shows that just 15 percent of the jobs were with establishments in the 1-4 and 5-9 employee size classes, and about 68 percent of jobs were with establishments in the four size classes between 20 employees and 499 employees.

Share of establishments & employees in size range in 2003



Source: DWD, Bureau of Workforce Information, Table 221, July 2004

Industries & employers by size

Listed in the table at the top of the page, Lincoln County's 10 largest industry groups provided roughly 52 percent of the total employment in the county. Data is suppressed when one establishment accounts for at least 85 percent of the employment in an industry group or fewer than four establishments belong to the industry group.

Listed in the table in the middle of the page, Lincoln County's 10 largest employers account for about 35 percent of the jobs in the county. As the people in prime tax-paying years become a smaller share of the population, reliance on public funding (including Medicare or Social Security) could limit employment growth for some establishments.

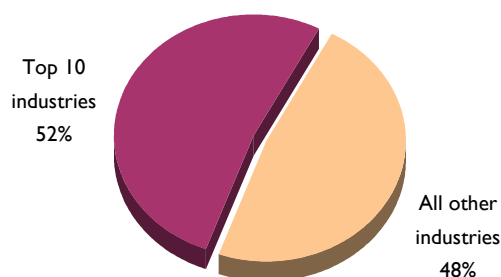
Top 10 Industries in Lincoln County

Industry	March 2004		Numeric Employment Change	
	Establishments	Employees	2003-2004	1999-2004
Wood product manufacturing	14	1,126	6	-219
Educational services	4	846	-13	56
Food services & drinking places	69	774	42	-88
Fabricated metal product manufacturing	15	740	-37	-171
Executive, legislative, & gen government	suppressed	suppressed	not avail.	not avail.
Insurance carriers & related activities	suppressed	suppressed	not avail.	not avail.
Paper manufacturing	suppressed	suppressed	not avail.	not avail.
Food & beverage stores	7	385	-7	-86
Transportation equipment manufacturing	suppressed	suppressed	not avail.	not avail.
Hospitals	suppressed	suppressed	not avail.	not avail.

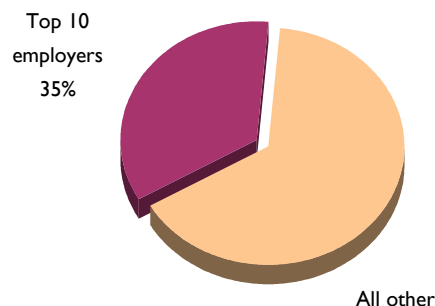
Top 10 Employers in Lincoln County

Establishment	Product or Service	Size (Dec. 2003)
Merrill Public School	Elementary and secondary schools	250-499 employees
Hurd Millwork Co. Inc.	All other plastics product manufacturing	250-499 employees
Packaging Corp. of America	Paper, except newsprint, mills	250-499 employees
Church Mutual Insurance Co.	Direct property and casualty insurers	250-499 employees
County of Lincoln	Executive and legislative offices, combined	250-499 employees
Semling Menke Co. Inc.	Wood window and door manufacturing	250-499 employees
Harley-Davidson Motor Co. Operations	Motorcycle, bicycle, and parts manufacturing	100-249 employees
Lincoln Wood Products Inc.	Wood window and door manufacturing	100-249 employees
School District of Tomahawk	Elementary and secondary schools	100-249 employees
Department of Corrections	Correctional institutions	100-249 employees

Share of jobs in top 10 industries in Lincoln County

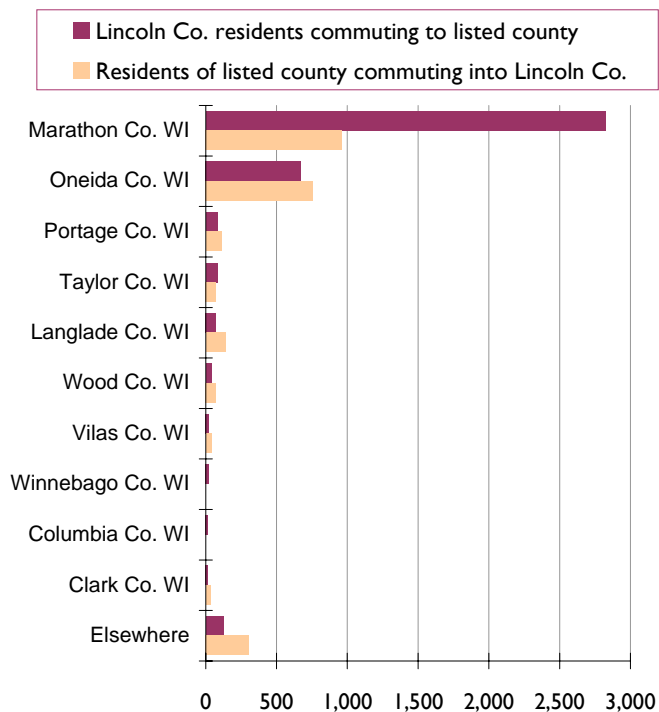


Share of Lincoln County jobs with top 10 employers



Commuting

The 2000 Census reported approximately 3,974 Lincoln County residents worked outside the county (about 28 percent of working residents). At the same time, roughly 2,494 workers from other counties commuted in (filling about 20 percent of jobs located in the county). Crossing a county line does not necessarily mean a longer commute than finding a job in the county. Roughly 60 percent of Lincoln County's working residents traveled fewer than 20 minutes for work. The darker set of bars in the graph to the right shows that Lincoln County sends more workers to Marathon County than to any other single county. The Census Bureau estimates that 55 percent of the workers traveling from Lincoln County to Marathon County work in Wausau, a city with a population nearly more than 35 percent greater than Lincoln County's population. Marathon offers particularly high concentrations of jobs in trade, transportation and utilities as well as professional and business services. The next largest commuter flow is just the reverse (Marathon workers traveling into Lincoln) with over 70 percent working in Merrill.



Source: U.S. Census 2000, Special tabulations: Worker Flow Files

Key occupations & wages

The table to the right lists some of the occupations with the greatest estimated employment in the Lincoln County area. The range bracketed by the 25th percentile wage and the 75th percentile wage might be called a typical wage range because a quarter of the occupation's workers earn less, a quarter earn more and about half earn a wage somewhere in the range.

Those occupations requiring less training and education tend to see lower wages and narrower wage ranges (e.g. cashiers and waiters/waitresses). These factors contribute to turnover. Many well-paid technical or professional positions congregate around groups of economic hubs such as headquarters and major operational centers. Rural areas tend to see less white collar work and more general labor, as the table indicates.

Occupation title	Hourly Wages			
	Mean	Percentile		
		25 th	50 th	75 th
Retail salespersons	\$9.59	\$7.11	\$8.26	\$10.61
Cashiers	\$7.80	\$6.66	\$7.66	\$8.73
Janitors & cleaners, except maids & hskpg. cleaners	\$8.80	\$7.49	\$8.32	\$9.33
Nursing aides, orderlies, & attendants	\$9.82	\$8.64	\$9.75	\$10.86
Truck drivers, heavy & tractor-trailer	\$16.40	\$12.91	\$17.52	\$20.40
Team assemblers	\$14.04	\$10.31	\$13.68	\$17.07
Laborers & freight, stock, & material movers, hand	\$12.20	\$8.60	\$11.38	\$15.81
Secretaries, except legal, medical, & executive	\$10.70	\$9.06	\$10.70	\$12.55
Registered nurses	\$20.79	\$18.62	\$20.63	\$23.00
Comb. food prep. & serving workers (fast food)	\$7.28	\$6.15	\$7.15	\$8.11
Carpenters	\$15.03	\$10.63	\$13.40	\$18.21
Office clerks, general	\$10.06	\$8.04	\$9.83	\$11.92
Bookkeeping, accounting, & auditing clerks	\$10.89	\$8.75	\$10.62	\$13.01
Helpers--production workers	\$12.73	\$9.87	\$12.43	\$15.36
Maintenance & repair workers, general	\$17.63	\$13.32	\$17.79	\$22.60
Waiters & waitresses	\$7.34	\$6.17	\$6.89	\$8.34
1st-line supvsr/mgrs. of prod. & operating workers	\$19.75	\$15.19	\$18.25	\$22.88
Stock clerks & order fillers	\$9.74	\$7.48	\$8.92	\$11.06
Welders, cutters, solderers, & brazers	\$15.29	\$13.74	\$15.66	\$17.13
General & operations managers	\$35.30	\$21.27	\$28.86	\$43.62

Lincoln County is part of an area which includes Lincoln, Oneida, Price and Waupaca counties.

Source: DWD, Office of Economic Advisors, special tabulation using EDS and OES 2003

Employment and Wages

Overall, Lincoln County establishments reported paying nearly 82 percent of Wisconsin's all-industries average wage. The table to the right shows that the manufacturing sector's average annual wage was higher than any other sector's. The table and graph below show that manufacturing accounted for 31 percent of the jobs in the county and 39 percent of the total payroll. Manufacturing also lost more jobs between 2002 and 2003 than any other sector. The trade, transportation and utilities group employed more people (2,260) than the education and health sector (1,657), but total payroll for the former (\$46.9 million) is lower than total payroll for the latter (almost \$48 million). The average annual wage in the trade, transportation and utilities group (\$20,764) masks wide differences between wages in individual segments such as utilities (\$33,219), wholesale trade (\$25,887), transportation and warehousing (\$25,681) and retail trade (\$17,353). As recently as 1998, the average wage of the education

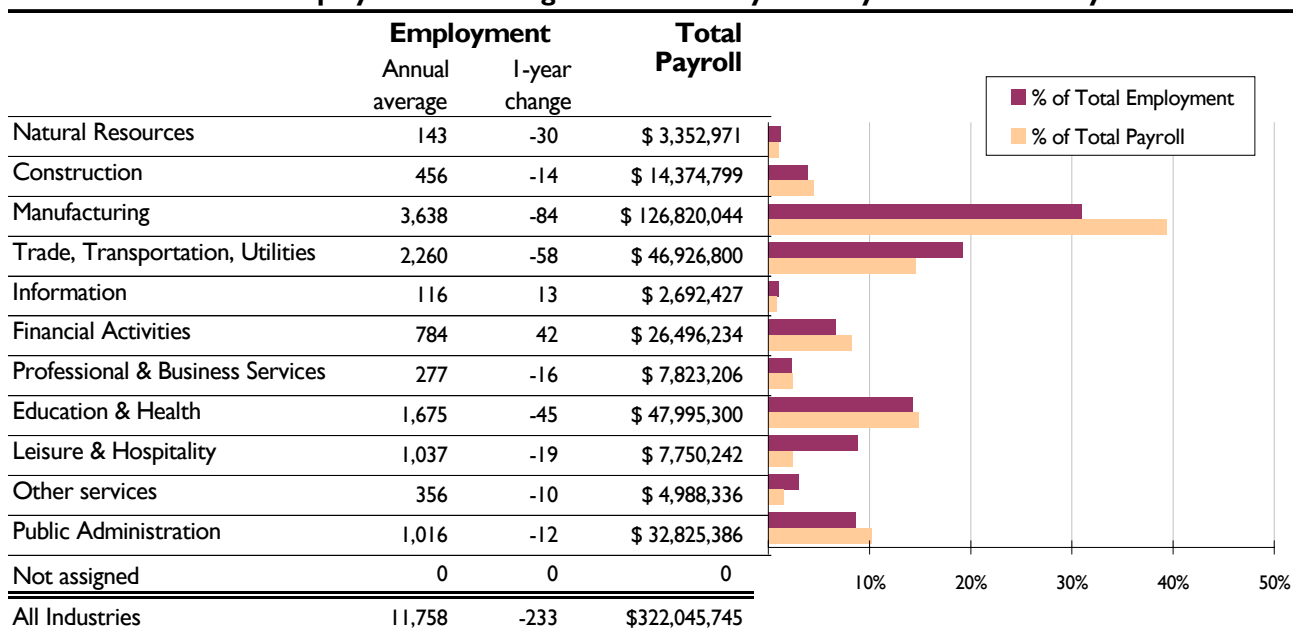
Average Annual Wage by Industry Division in 2003

	Average Annual Wage Wisconsin	Average Annual Wage Lincoln County	Percent of Wisconsin	1-year % change
All Industries	\$ 33,423	\$ 27,390	81.9%	5.2%
Natural resources	\$ 25,723	\$ 23,447	91.2%	5.2%
Construction	\$ 40,228	\$ 31,524	78.4%	-2.4%
Manufacturing	\$ 42,013	\$ 34,860	83.0%	6.3%
Trade, Transportation, Utilities	\$ 28,896	\$ 20,764	71.9%	2.1%
Information	\$ 39,175	\$ 23,211	59.2%	5.9%
Financial activities	\$ 42,946	\$ 33,796	78.7%	3.7%
Professional & Business Services	\$ 38,076	\$ 28,243	74.2%	8.7%
Education & Health	\$ 35,045	\$ 28,654	81.8%	6.9%
Leisure & Hospitality	\$ 12,002	\$ 7,474	62.3%	3.2%
Other services	\$ 19,710	\$ 14,012	71.1%	9.9%
Public Administration	\$ 35,689	\$ 32,308	90.5%	5.4%

Source: WI DWD, Bureau of Workforce Information, Quarterly Census of Employment & Wages

segment of the education and health sector was more than 20 percent above the health and social service segment's average wage, but the wage gap between the two segments is less than one percent. In 2003, employment was balanced relatively evenly between the two segments, but demographic analysis from pages 1-2 suggests that demand for the health care and social assistance may grow faster than demand for educational services.

2003 Employment and Wage Distribution by Industry in Lincoln County



Source: WI DWD, Bureau of Workforce Information, Quarterly Census Employment and Wages, June 2004

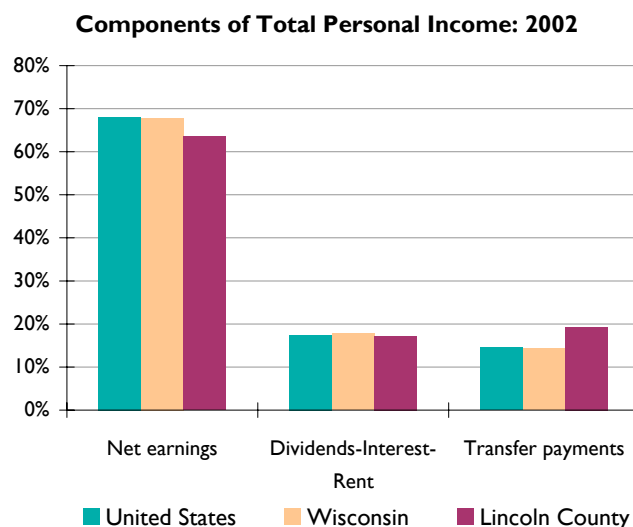
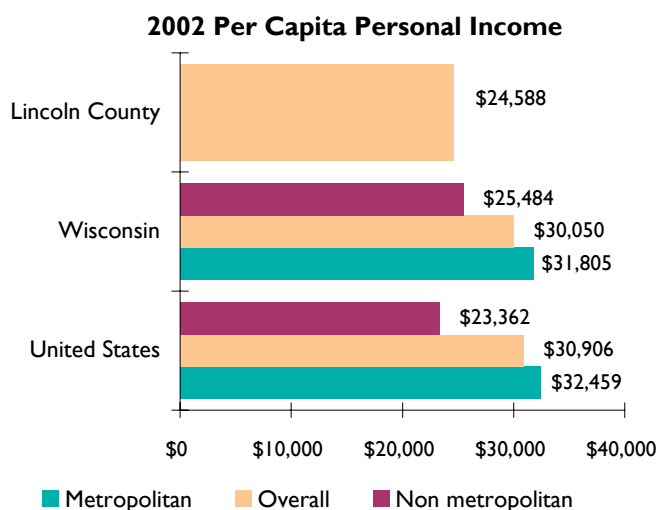
Per Capita Personal Income

In 2002, Lincoln County's per capita personal income (\$24,588) was below non-metropolitan Wisconsin's PCPI (\$25,484) and the national non-metropolitan PCPI (\$23,362). Between 1997 and 2002, Lincoln County's PCPI growth (20.1%) lagged Wisconsin's (22.6%) and the nation's (22.0%). The 4 percent gap between Lincoln County PCPI and non-metropolitan Wisconsin PCPI is larger than it was in the late 1990s and smaller than it was for much of the 1980s. In 2001, inflation outpaced Wisconsin's PCPI growth and the nation's.

Growth in PCPI relates to demographic shifts discussed on pages 1-2. As a greater share of the population enters retirement, more residents rely on transfer payments (such as Social Security) and fewer have net earnings (typically associated with employment). Transfer payments are not likely to grow as fast as net earnings. Households with substantial investment income (dividends, interest or rent, including retirement or pension plans) are more likely to consider warmer climates for retirement, so PCPI growth may slow.

	Per Capita Personal Income						Percent Change	
	1997	1998	1999	2000	2001	2002	1 year	5 year
United States	\$25,334	\$26,883	\$27,939	\$29,847	\$30,527	\$30,906	1.2%	22.0%
Wisconsin	\$24,514	\$26,175	\$27,135	\$28,573	\$29,361	\$30,050	2.3%	22.6%
Non-metropolitan WI	\$20,734	\$22,195	\$22,900	\$24,059	\$24,833	\$25,484	2.6%	22.9%
Lincoln County	\$20,477	\$21,568	\$21,944	\$22,981	\$23,879	\$24,588	3.0%	20.1%
In current dollars (adjusted to U.S. CPI-U)								
United States	\$28,397	\$29,670	\$30,170	\$31,181	\$31,010	\$30,906	-0.3%	8.8%
Wisconsin	\$27,478	\$28,889	\$29,301	\$29,850	\$29,825	\$30,050	0.8%	9.4%
Non-metropolitan WI	\$23,240	\$24,497	\$24,728	\$25,135	\$25,226	\$25,484	1.0%	9.7%
Lincoln County	\$22,952	\$23,804	\$23,695	\$24,008	\$24,257	\$24,588	1.4%	7.1%

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, May 2004



Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, May 2004

The county workforce profiles are produced annually by the Office of Economic Advisors in the Wisconsin Department of Workforce Development. The author of this profile and regional contact for additional labor market information is:

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email: Dan.Barroilhet@dwd.state.wi.us

Metropolitan Statistical Area (MSA) - A single county or group of counties that include at least one urbanized area with a minimum population of 50,000. Multiple-county MSAs have a central county or counties, which have a high degree of social and economic integration with the other member counties as measured by commuting data.

Non-metropolitan county - Any county that is not a member of a metropolitan statistical area.

Net Migration - One of two components of population change. It is the net result of individuals who either moved into or out of an area.

Natural Change - One of two components of population change. It is the result of the number of births minus the number of deaths in an area over a period of time. A natural increase indicates there were more births than deaths. A natural decrease indicates there were more deaths than births.

Employed - Persons 16 years of age or older, who worked as paid employees, or worked in their own business, profession or farm, or worked 15 hours or more as unpaid workers in a family-operated enterprise. Includes those temporarily absent from their jobs due to illness, bad weather, vacation, childcare problems, labor dispute, maternity or paternity leave, or other family or personal obligations.

Unemployed - Persons 16 years of age or older with no employment, who were available for work and made efforts to find employment sometime during the previous 4-week period ending with the monthly reference week. Persons who were awaiting recall to a job did not need to look for work to be classified as unemployed.

Labor Force - The sum of the employed and unemployed, whom are at least 16 years of age and older.

Unemployment Rate - The number of unemployed divided by the labor force. It is expressed as a percentage of the labor force.

Labor Force Participation Rate (LFPR) - The labor force divided by the total population aged 16 years and older. It is expressed as a percentage of the population aged 16 years and older.

Suppressed - Data is withheld or suppressed if it does not meet certain criteria. If an industry in a county has fewer than three employers or if a single employer employs 80% or more that industry's total employment in that county then the data are suppressed. These criteria were established to maintain the confidential reporting of payroll and employment by employers.

Total Personal Income - The aggregate income of an area received by all persons from all sources. It is calculated as the sum of wage and salary disbursements (less contributions for government social insurance), supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts that include retirement and veteran's benefits, government paid medical reimbursements, and income maintenance program payments.

Per Capita Personal Income (PCPI) - Total personal income divided by the total population.

Current Dollars - Phrase used to express historical dollar values in terms of their current purchasing power via inflation adjustment.

CPI-U - Consumer Price Index for all urban consumers, the most commonly used measure of inflation in the United States.